

Message Text

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ACTION NEA-10

INFO OCT-01 AF-10 EUR-12 ISO-00 SP-02 USIA-06 AID-05
EB-08 NSC-05 TRSE-00 SS-15 STR-04 OMB-01 CEA-01
CIAE-00 FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03
LAB-04 SIL-01 SSM-03 AGRE-00 DODE-00 PM-05 H-01
L-03 PA-01 PRS-01 /114 W
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R 100846Z AUG 77
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TO SECSTATE WASHDC 4849
INFO USDOC WASHDC
AMEMBASSY ABU DHABI
AMEMBASSY ALGIERS
AMEMBASSY AMMAN
AMEMBASSY BONN
AMEMBASSY CAIRO
AMEMBASSY DAMASCUS
AMCONSUL DHAHRAN
AMEMBASSY DOHA
AMEMBASSY JIDDA
AMEMBASSY KHARTOUM
AMEMBASSY KUWAIT
AMEMBASSY LONDON
AMEMBASSY MANAMA
AMEMBASSY MUSCAT
AMEMBASSY PARIS
AMEMBASSY RABAT
AMEMBASSY SANA
AMEMBASSY TEL AVIV
AMEMBASSY TRIPOLI

C O N F I D E N T I A L BAGHDAD 1340

E.O. 11652: GDS
TAGS: ETRD, IZ
SUBJECT: IRAQ: THE BEGINNINGS OF DIALOGUE ON BOYCOTT ISSUES
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REF: (A) BAHGDAD 1106, (B) STATE 142390, (C) STATE 146034

1. SUMMARY. IN INTERVIEW WITH COMMERCIAL ATTACHE, IRAQI
DIRECTOR GENERAL RESPONSIBLE FOR BOYCOTT MATTERS IN THE
MINISTRY OF TRADE EXPRESSED INTEREST IN A CONTINUING
DISCUSSION WHICH MIGHT PRODUCE A "PAVED WAY" TO

RESOLVE CONFLICTS BETWEEN IRAQI BOYCOTT REGULATIONS
AND PROVISIONS OF THE NEW U.S. ANTI-BOYCOTT LAW. END
SUMMARY.

2. COMMAT CALLED AUGUST 5 ON KHALID RAHMAN AL-DURI,
DIRECTOR GENERAL FOR ARAB AFFAIRS IN THE MINISTRY OF
TRADE AND RESPONSIBLE FOR SUPERVISION OF THE IRAQI
BOYCOTT OFFICE, AND TKBAL MUNIR, DIRECTOR OF THE IRAQI
BOYCOTT OFFICE. IN HOUR AND HALF INTERVIEW, COMMAT
DISCUSSED PARAGRAPH BY PARAGRAPH THE EXPLANATION OF THE
NEW US ANTI-BOYCOTT LAW PROVIDED IN STATEMENT IN REF.
B. AL-DURI, WHO TOOK EXTENSIVE NOTES, SEVERAL TIMES
COMMENTED THAT DIFFERENCES BETWEEN IRAQI REGULATIONS
AND PROVISIONS OF NEW U.S. LAW SEEMED TO BE QUESTIONS
OF LANGUAGE. CASES IN POINT WERE (A) IRAQI GOVERNMENT
STIPULATIONS IN TENDER DOCUMENTS SAYING GOODS MAY NOT
BE SHIPPED ON "BLACKLISTED STEAMERS" VERSUS PROVISIONS
IN NEW LAW ALLOWING U.S. COMPANIES TO CERTIFY THAT
GOODS WILL NOT BE SHIPPED VIA VESSELS OR PORTS OF
BOYCOTTED COUNTRIES; AND (B) IRAQI GOVERNMENT BOYCOTT
QUESTIONNAIRE, WHICH NEW LAW PROHIBITS U.S. COMPANIES
FROM ANSWERING, VERSUS LAW'S PROVISIONS ALLOWING U.S.
FIRMS TO PROVIDE "NORMAL BUSINESS INFORMATION IN A
COMMERCIAL CONTEXT". AL-DURI ASKED, FOR EXAMPLE, IF
A FIRM, WHEN BIDDING FOR A CONTRACT, COULD PROVIDE
INFORMATION AS TO WHERE THEY HAD INVESTMENTS, BRANCHES,
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ETC., EVEN THOUGH IT COULD NOT CERTIFY THAT IT HAD
NO SUCH ACTIVITIES IN ISRAEL. COMMAT REPLIED THAT
DEPARTMENT OF COMMERCE WOULD ISSUE REGULATIONS IN
SEPTEMBER DEFINING THE PHRASE "NORMAL BUSINESS
INFORMATION IN A COMMERCIAL CONTEXT". HE ALSO ADDED
THAT LEGISLATIVE HISTORY OF LAW GIVES EXAMPLE OF
COMPANY ANNUAL REPORTS AS "NORMAL BUSINESS INFORMATION
IN A COMMERCIAL CONTEXT," AND THAT IT IS STANDARD FOR
COMPANIES WHEN BIDDING FOR AWARDS TO PROVIDE COPIES
OF ANNUAL REPORTS AND OTHER LITERATURE WHICH CONTAIN
INFORMATION ABOUT PREVIOUS PROJECTS, BRANCHES AND
INVESTMENTS. HOWEVER, THE LAW OTHERWISE
SPECIFICALLY FORBIDS FURNISHING INFORMATION ABOUT
BUSINESS RELATIONSHIPS WITH A BOYCOTTED COUNTRY OR
FIRMS DEALING WITH THE BOYCOTTED COUNTRY.

3. CONCERNING POSITIVE CERTIFICATES OF ORIGIN,
AL-DURI SAID THAT IRAQ HAD TO ABIDE BY ARAB LEAGUE
REGULATIONS AND ASKED WHAT ARAB LEAGUE MEMBERS
ACCEPTED POSITIVE CERTIFICATES OF ORIGIN. COMMAT
SAID THAT HE UNDERSTOOD THAT ARAB LEAGUE RULES DID
PERMIT POSITIVE CERTIFICATES OF ORIGIN AND THAT

NEARLY ALL MEMBERS ACCEPT LIBYA AND IRAQ NOW ACCEPTED THEM. SURPRISED, AL-DURI ASKED THE DIRECTOR OF THE BOYCOTT OFFICE TO CHECK ARAB LEAGUE RULES AND STATED THAT HE THOUGHT ALGERIA ALSO SHARED IRAQ'S POSITION ON BOYCOTT MATTERS. THE DIRECTOR OF THE BOYCOTT OFFICE VERIFIED COMMAT'S REPLY THAT ALGERIA DID NOT PARTICIPATE IN THE BOYCOTT AT ALL. COMMAT THEN ASKED IF AL-DURI THOUGHT IRAQ WOULD CONSIDER ACCEPTING POSITIVE CERTIFICATES IF THEY WERE INDEED PERMISSIBLE UNDER ARAB LEAGUE RULES, AND AL-DURI REPLIED THAT ALL POLICY QUESTIONS CONCERNING BOYCOTT MATTERS WERE, OF COURSE, FOR THE DECISION OF IRAQI POLITICAL LEADERS.

4. AT CLOSE OF INTERVIEW, AL-DURI THANKED COMMAT
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FOR HIS FIRSTHAND EXPLANATION OF THE NEW BOYCOTT LAW. HE SAID, HOWEVER, THAT THE LAW WAS VERY COMPLICATED AND HE DID NOT THINK THE ARAB LEAGUE COULD ACCEPT ALL OF THE PROVISIONS. HE THEN INVITED COMMAT TO RETURN FOR FURTHER DISCUSSIONS AFTER DEPARTMENT OF COMMERCE ISSUED IMPLEMENTING REGULATIONS AND SAID HE HOPED THE CONVERSATIONS WOULD PRODUCE A "PAVED WAY" TO RESOLVE TO MUTUAL BENEFIT MANY OF THE CONFLICTS BETWEEN IRAQI BOYCOTT REGULATIONS AND NEW U.S. ANTI-BOYCOTT LAW.

5. COMMENT. OPPORTUNITY TO DISCUSS U.S. ANTI-BOYCOTT LEGISLATION WITH RELEVANT GOI AUTHORITIES HAS PROVIDED FIRST INKLING THAT IRAQ MAY CONSIDER MODIFYING ITS BOYCOTT PRACTICES AND REDUCE MANY OF THE CONFLICTS FROM ISSUES OF PRINCIPLE AND IDEOLOGY TO QUESTIONS OF DOCUMENTATION. ALTHOUGH APPOINTMENT WAS REQUESTED NEARLY A MONTH AGO, WE UNDERSTAND THAT DELAY IN GRANTING INTERVIEW WAS BECAUSE AL-DURI HAD TO OBTAIN APPROVAL OF MINISTER OF TRADE HUSSEIN ALI. NONETHELESS, PART OF THE POSITIVE APPROACH WHICH AL-DURI EVINCED MAY STEM FROM HIS NATURAL FRIENDLINESS FOR AMERICANS. HE SERVED AS CULTURAL ATTACHE FROM 1962-1966 AT THE IRAQI EMBASSY IN WASHINGTON AND AT ONE POINT INQUIRED WHETHER THE WASHINGTON METRO WOULD EXTEND TO ALEXANDRIA WHERE HE HAD LIVED.

6. USINT HAS FOUND VERY HELPFUL REPORTING FROM OTHER POSTS CONCERNING BOYCOTT ISSUES (PARTICULARLY KUWAIT 3555) AND REQUESTS THAT BAGHDAD BE INCLUDED AS INFO ADDRESSEE ON ALL SUCH REPORTING. WITHOUT MENTIONING SPECIFIC COUNTRIES, WE WISH TO KEEP GOI INFORMED OF EXTENT TO WHICH IT IS OUT OF STEP WITH DEVELOPING
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ACCOMMODATION TO U.S. LEGISLATION. WE BELIEVE THAT
GOI PERCEPTION OF THIS SITUATION IS KEY TO ERODING ITS
HARDLINE POSITION.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
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Concepts: BOYCOTTS, DIPLOMATIC DISCUSSIONS, LEGISLATIVE BILLS
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Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Source: CORE
Document Unique ID: 00
Drafter: n/a
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Executive Order: GS
Errors: N/A
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